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SPECIAL PROGRAMMES OF ASSISTANCE

THE ROLE OF UNDP IN AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT

Report of the Administrator

SUMMARY

This report responds to Governing Council decision 91/15 and provides information on the final review of the United Nations Programme of Action for African Economic Recovery and Development.

It notes the findings of the Secretary-General's report that the overall performance of African economies during the period 1986-1990 was unsatisfactory and outlines the recently approved "United Nations New Agenda for the Development of Africa in the 1990s". The report also describes the outcome of Cluster Meetings of African Planning Ministers and Finance Ministers held during 1991, efforts of UNDP to strengthen the capacity of African countries in formulating long-term perspective studies and in policy analysis as well as progress made in implementing recommendations of four major evaluations in the Africa region.

INTRODUCTION

1. The United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UNPAAERD) was established by the General Assembly in its resolution S-13/2. The role of UNDP in the implementation of UNPAAERD was the subject of the Administrator's report (DP/1991/16) presented to the Council at its thirty-eighth session in June 1991. This present report focuses on the outcome of the final review of UNPAAERD, the role of UNDP in the successor arrangement to the programme and on issues raised in Governing Council decision 91/15. These include the results of Cluster Meetings of African Planning and Finance Ministers, efforts by UNDP to strengthen the capacity of African countries in policy analysis and in formulating long-term perspective studies and the implementation of recommendations of major evaluations reported to the Council at its thirty-eighth session in June 1991.

1. REVIEW OF UNPAAERD

2. The technical review of UNPAAERD was undertaken by the Secretary-General and was reported to the General Assembly in document A/46/324 of 6 August 1991. It concluded that the goals set in the programme were far from realized. African economies continued to perform poorly at the end of the period. Several factors accounted for the poor performance. Export earnings tumbled leading to a loss of over \$50 billion by African countries during the period 1986-1990, while foreign development assistance stagnated in real terms at \$16 billion annually over the same period. The Secretary-General's report called for a new compact for African development in the 1990s with three essential goals: (a) economic transformation and diversification; (b) sustained development, including an acceleration of the rate of growth to at least 6 per cent per year; and (c) enhanced human development with rapid progress towards human oriented goals by the year 2000.

3. The report of the Secretary-General was endorsed by the Ad Hoc Committee of the Whole of the General Assembly (A/46/41 of 7 October 1991) and a "United Nations New Agenda for the Development of Africa in the 1990s" was recommended to the General Assembly. The "New Agenda" was adopted by the General Assembly at its forty-sixth session (annex II to resolution 46/151 of 18 December 1991).

II. UNITED NATIONS NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990s

4. The New Agenda commends to African countries and the international community specific actions for tackling the critical economic situation in Africa. African Governments' responsibility and commitment to specific actions under the New Agenda cover the following areas: (a) achievement of sustained and sustainable growth and development; (b) promotion of regional and subregional economic cooperation and integration; (c) intensification of the democratization process; (d) investment promotion; (e) intensification of

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efforts towards human resources development and capacity-building; (f) promotion of sustainable development and environmental management; (g) population management and development; (h) agriculture, rural development and food security; (i) technical cooperation among developing countries (TCDC); and (j) an enhanced role for non-governmental organizations (NGOs).

5. Specific responsibility and commitment of the international community approved by the General Assembly include: (a) solution of Africa's debt problem; (b) enhanced resource flows to meet the estimated requirement of \$30 billion per year which must grow at an annual rate of 4 per cent; (c) increased access of African commodities to major markets and enhanced compensatory facilities in the interim; (d) support for the diversification of African economies; (e) improved trading environment; and (f) support for regional economic integration with respect to the environment, science and technology.

6. The United Nations system is to support the Agenda's implementation through a special focus of programmes on Africa designed to ensure effective follow-up and monitoring. The Secretary-General has set up a special unit in his office to oversee the follow-up and monitoring of the New Agenda.

III. THE ROLE OF UNDP IN AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT IN THE 1990s

7. For the fifth programming cycle, 1992-1996, over 50 per cent of indicative planning figure (IPF) resources have been allocated to countries in Africa. UNDP will support the New Agenda through its country programmes, the intercountry programme for Africa and activities under Special Programme Resources (SPR). UNDP is pursuing an integrated approach focusing on human development in country programmes and the six areas of focus listed in Governing Council decision 90/34. At the regional level, UNDP will be assisting African economic recovery and development through the fifth intercountry programme for Africa which is also being submitted to the Governing Council at its thirty-ninth session. This programme concentrates on three major areas of the New Agenda: regional cooperation and integration; long-term strategic planning; and fostering an enabling environment for human development. In addition, UNDP proposes to use part of the \$10 million of SPR funds allocated for African economic recovery and development to assist African countries in drawing up national long-term perspectives in order to provide a framework for their development in the 1990s and beyond. SPR funding will also help to support a continental programme for African capacity-building.

8. Within the UNDP secretariat, coordination of activities covered by the Regional Bureau for Africa (RBA) and the Regional Bureau for the Arab States and Europe (RBASE) will continue to be promoted. An example is the joint efforts of the RBA, the RBASE, the United Nations Conference on Environment and Development (UNCED) secretariat and the United Nations Sudano-Sahelian Office (UNSO), in relation to preparations for UNCED in 1992.

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IV. CLUSTER MEETINGS OF AFRICAN MINISTERS OF PLANNING AND FINANCE

9. Subregional cluster meetings were organized in July 1991 which focused on issues of relevance to African long-term development. The meetings discussed the review and follow-up to UNPAAERD; national long-term perspective studies; the environment, science and technology in Africa; regional economic cooperation and integration in Africa; the economic and development impact of the human immune deficiency virus (HIV)/acquired immune deficiency syndrome (AIDS); and maternal mortality. The ministers agreed that the policy issues raised at the meetings required urgent consideration and integration into national and regional planning.

10. Wherever feasible the meetings were organized along existing subregional economic groupings as follows: Lusaka 4-6 July 1991 for the Southern Africa/Southern African Development Coordination Conference (SADCC) region; Nairobi 8-10 July for the East Africa region; Abidjan 15-17 July for the West Africa/Economic Community of West African States (ECOWAS) region; and Libreville 22-24 July for Central Africa/Economic Community of Central Africa.

11. The summary conclusions and recommendations of the cluster meetings were presented and adopted at a regional meeting of planning ministers in Windhoek, Namibia, on 25-27 November 1991. The meeting was attended by planning ministers from North and sub-Saharan Africa. Copies of the report of the meeting are available on request.

VI. IMPLEMENTATION OF RECOMMENDATIONS OF EVALUATION REPORTS

A. Intergovernmental organization (IGOs) in Africa

12. The evaluation recommended that UNDP should assist IGOs to: (a) rationalize their objectives and activities; (b) build their technical and administrative capacities; and (c) increase their role in the implementation of UNDP-funded projects. It was also recommended that UNDP provide additional resources to IGOs on a longer-term basis. These recommendations have been taken into account in preparing the fifth intercountry programme for Africa, 1992-1996.

13. Support for the rationalization of the objectives and activities of IGOs is one of the priority areas for the fifth intercountry programme. While in the fourth cycle, the various IGOs benefited from individual projects, the fifth intercountry programme encourages joint programmes and implementation of projects on a subregional basis involving all the IGOs in that subregion. As part of this effort, three subregional consultative meetings with the major IGOs concerned with economic integration were held in Lusaka for Eastern and Southern Africa, Lagos for West Africa, and Libreville for Central Africa.

14. The majority of projects in the fourth cycle were executed by specialized agencies of the United Nations system. In response to the wish of the IGOs

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and the decision of the Governing Council to promote "national execution", IGOs have been more involved than previously in the formulation and design of the fifth intercountry programme. Furthermore, selected IGOs will be encouraged to implement UNDP-funded programmes. This will be based on an assessment of their technical and administrative capacity to do so; to this end, training will be a strong component of the technical cooperation programme involving IGOs.

B. National Technical Cooperation Assessment and Programmes (NaTCAPs)

15. The evaluation report on NaTCAPs in February 1991 made 12 major recommendations which can be grouped into three major categories. First, it recommended that NaTCAPs must have a sharpened focus on human and institutional development and that they provide more guidance in the preparation of technical cooperation programmes (TCPs). As a supplement to the NaTCAP methodology document, guidelines to clarify the purposes and procedures for preparing the technical cooperation policy framework paper are expected to be finalized in early 1992. Draft guidelines are also being prepared for the TCP.

16. Second, the report recommended the mainstreaming of NaTCAPs as a major element of UNDP's global responsibilities for leadership in the area of human and institutional development, and that clear links with country programmes, round-table conferences and Consultative Group meetings be ensured. Preparation of fifth-cycle country programmes currently under review is being undertaken with particular attention to coherence with the NaTCAP process.

17. Third, the report requested UNDP to engage donor participation more fully in the NaTCAP exercises. More intensive contacts and exchanges of information are being organized with donors at the headquarters level. In December 1991, a seminar on NaTCAP and technical cooperation was co-sponsored by the Government of the Federal Republic of Germany. Some donors are being requested to participate in preliminary missions on a selective basis. At the field level, closer consultation with donors is being promoted.

C. Social dimensions of adjustment

18. The 1990 evaluation of the UNDP-funded project dealing with the social dimensions of Structural Adjustment Programmes provided analysis of the major shortcomings of the project. In particular, it pointed out: (a) the need for better clarification of the relationship between activities aimed at assessing the emerging social situation, and those aimed at improving the capacity of governments to design and implement poverty alleviation programmes; (b) the need for statistical activities to be guided by nationally determined priorities and future sustainability; (c) the need to balance regional and country-level project activities by shifting resources away from the conceptual and methodological level, towards poverty-focused national project

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formulation and implementation; and (d) the need for substantial change in project focus and organizational structure, to give a more systematic role to other agencies of the United Nations system and to foster greater diversity in approaches.

19. Following an extensive review of the SDA project evaluation by the African Development Bank (AfDB), the World Bank and UNDP, an understanding was reached among the three donors to focus future support for poverty monitoring and statistical analysis at the country level.

20. At the regional level, UNDP will concentrate on the human development and capacity-building needs identified under SDA programme adjustments. It will carry out an SPR-funded, Office for Project Services (OPS)-executed project to facilitate the sharing of experiences on issues relating to the social dimensions of adjustment between Africa and other regions. UNDP will link this activity to a new Africa regional project being developed in collaboration with United Nations specialized agencies and African institutions to encompass the issue of poverty and social development within the broader context of overall macroeconomic reforms. This project will support the development of African capacities to monitor the macroeconomic reform process in Africa, design appropriate poverty-sensitive options for interventions and promote the effective use by policy makers of the enhanced capacity for policy analysis and programme design within the region.

D. Structural Adjustment Advisory Teams for Africa (SAATA)

21. The evaluation of SAATA confirmed that there is a strong need among African countries for independent macroeconomic advice of the type provided by SAATA. While the rationale for policy reforms is no longer being questioned by African leaders, little progress has been made in increasing the degree of ownership of Structural Adjustment Programmes by African countries. In this respect, SAATA was seen as responding to the needs of African countries to develop the necessary capacity for programme formulation and implementation.

22. The evaluation recommended the greater use of African expertise and that SAATA activities be brought directly under the Regional Bureau for Africa. The evaluation also pointed out the potential problems of scatterization of project resources among too many countries. The linkage between the project and other endeavours initiated by UNDP also seemed weak. The evaluation team recommends that project activities be reoriented so as to ensure synergies between macroeconomic advice and training provided by the project and other UNDP initiatives such as the National Long Term Perspective Studies and Programmes to assist African Governments in the preparation of their development policies.

23. It is UNDP's view that both macroeconomic and sectoral work be done within a structured policy dialogue, such as the one under the round-table mechanism. It is felt that such an approach would contribute to internalizing

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the reform process as well as enhancing this particular aid coordination mechanism. Accordingly, the project is being revised in the light of the recommendations mentioned above.
